

# **EXHIBIT 1**

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND  
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO et al.,

Debtors.<sup>1</sup>

PROMESA  
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**NOTICE OF (I) RULINGS THE OVERSIGHT  
BOARD REQUESTS AT CONFIRMATION HEARING  
REGARDING ACT 53-2021 AND (II) DEADLINE FOR OBJECTIONS**

**PLEASE TAKE NOTICE** that, on July 30, 2021, the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the sole Title III representative of the Commonwealth of Puerto Rico (the “Commonwealth”), the Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”), and the Puerto Rico Public Buildings Authority (“PBA,” and, together with the Commonwealth and ERS, the “Debtors”) pursuant to section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),<sup>2</sup> filed the *Seventh Amended Joint Title III Plan of Adjustment of the*

<sup>1</sup> The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (“Commonwealth”) (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

<sup>2</sup> PROMESA is codified at 48 U.S.C. §§ 2102–2241.

*Commonwealth of Puerto Rico, et al.* (Docket Entry No. 17627 in Case No. 17-3283, as amended, supplemented, or modified from time to time, the “Plan”).<sup>3</sup>

**PLEASE TAKE FURTHER NOTICE** that a hearing to consider confirmation of the Plan (the “Confirmation Hearing”) will be held before the Honorable Judge Laura Taylor Swain, United States District Judge, via video and telephonic hearing, on **November 8–10, 12, 15–18, and 22–23, 2021 at 9:30 a.m. (Atlantic Standard Time)**, to the extent the Confirmation Hearing is not earlier concluded.

**PLEASE TAKE FURTHER NOTICE** that, on October 26, 2021, the Governor of the Commonwealth of Puerto Rico signed Act 53-2021 into law. **PLEASE TAKE FURTHER NOTICE THAT THE OVERSIGHT BOARD WILL SEEK RULINGS AT THE CONFIRMATION HEARING THAT THE DEBT AUTHORIZATION IN ACT 53-2021 IS CONDITIONED ONLY ON THE PLAN’S CANCELLATION OF THE MONTHLY BENEFIT MODIFICATION (AS DEFINED IN THE PLAN), AND DOES NOT REQUIRE CANCELLATION OF (I) THE ELIMINATION OF COST OF LIVING ADJUSTMENTS AND/OR (II) FREEZES OF ACCRUAL OF DEFINED BENEFITS UNDER THE TEACHERS’ RETIREMENT SYSTEM OR THE JUDICIARY RETIREMENT SYSTEM FROM AND AFTER THE PLAN’S EFFECTIVE DATE.**

**PLEASE TAKE FURTHER NOTICE** that the Oversight Board’s rationale for requesting the rulings set forth above are as follows: (a) Section 104 of Act 53-2021, in pertinent part, provides: “employees, it is hereby provided as follows: “...The Legislative Assembly authorizes the issuance of the General Obligation Bonds and CVIs subject to the FOMB filing an amended Plan for confirmation by the Title III Court that eliminates the Monthly Benefit Modification...” (b) Section 605 of Act 53-2021, in pertinent part, provides: “...The effectiveness of this Law is conditioned to the FOMB filing an amended Plan for confirmation by the Title III Court that eliminates the Monthly Benefit Modification as defined in the Plan...” (c) Article 102(qq) of Act 53-2021 refers to a definition of Monthly Benefit Modification, but Article 102 does not in its definitions refer to or define any of (i) defined benefits, (ii) cost of living adjustments, or (iii) freeze. (d) A search of the English translation of Act 53-2021 did not locate any of the words or phrases defined benefit, cost of living, or freeze. (e) The Statement of Motives in Act 53-2021 includes a sentence providing the law: “includes zero cuts to pensions of current retirees and current accrued benefits of active public employees and a desire to promote the welfare of the people of Puerto Rico.” By referring to zero cuts to current retirees and to “current accrued benefits of active public employees,” the Oversight Board believes the statute very carefully protects current pension levels, but not subsequent levels that are cut off by the freeze of defined benefits. (f) Freezing defined benefits saves billions of dollars during the certified fiscal plan and it is unlikely the Legislature would require elimination of such large savings without mentioning it by name. By analogy, the United States Supreme Court has observed that Congress does not “hide elephants in mouseholes.” (*Whitman v. Am. Trucking Ass’ns*, 531 U.S. 457, 468 (2001)). We believe requiring the elimination of defined benefit accruals without mentioning them would be like hiding an elephant in a

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<sup>3</sup> Capitalized terms used but not defined herein have the meanings given to them in the Plan.

mousehole. (g) Act 53-2021 includes a sentence in Article 605 providing: "...The continued effect of this act is contingent upon zero cuts to pensions." For all the foregoing reasons, the Oversight Board submits the only possible meaning of "zero cuts to pensions" is the elimination of the Monthly Benefit Modification, and does not mean the freeze of defined benefits or the cancellation of cost of living adjustments must be eliminated.

**PLEASE TAKE FURTHER NOTICE** that, on November 1, 2021, the Oversight Board filed the *Urgent Motion of the Financial Oversight and Management Board for Puerto Rico for Order (I) Approving form of Notice of Rulings the Oversight Board Requests at Confirmation Hearing Regarding Act 53-2021 and (II) Scheduling Objection Deadline* [Docket Entry No. 19002 in Case No. 17-3283, the "Motion"], seeking Court approval of certain procedures and deadlines in connection with the Oversight Board's requested rulings described above. A copy of Act 53-2021 is attached to the Motion as Exhibit B. On November 2, 2021, the Court entered an order granting the Motion [ECF No. ] (the "Order").

**PLEASE TAKE FURTHER NOTICE** that, pursuant to the Order, any objections or responses to the Oversight Board's requested rulings shall (i) be in writing, signed, and in English; (ii) state the name, address, whether the objectant is a past or present employee or retiree of the Government, or any other standing for its objection; (iii) state clearly the rationale for the objection; (iv) be filed with the Court, together with proof of service, and served on the following parties so as to be actually received no later than the Objection Deadline, **November 12, 2021, at 5:00 p.m. (Atlantic Time)**: (a) counsel to the Oversight Board, Proskauer Rose LLP, Eleven Times Square, New York, NY 10036, Attn: Martin J. Bienenstock and Brian S. Rosen, and (b) counsel to AAFAF, O'Melveny & Myers LLP, Times Square Tower, 7 Times Square, New York, NY 10036, Attn: John J. Rapisardi, Peter Friedman, and Maria J. DiConza.

**PLEASE TAKE FURTHER NOTICE** that the deadline for filing replies in support of the Oversight Board's requested rulings is **November 15, 2021**.

**PLEASE TAKE FURTHER NOTICE** that copies of the Plan and all other documents filed in these Title III cases may be obtained by visiting the case website maintained by Prime Clerk LLC, <https://cases.primeclerk.com/puertorico>; by sending a request to Prime Clerk LLC, at (844) 822-9231 (toll free for U.S. and Puerto Rico) or (646) 486-7944 (for international callers), available 10:00 a.m. to 7:00 p.m. (Atlantic Time) (Spanish available), or by email at [puertoricoinfo@primeclerk.com](mailto:puertoricoinfo@primeclerk.com), or, for a fee, from the Court's website, <https://www.prd.uscourts.gov>. A PACER login and password are required to access documents on the Court's website, and these can be obtained through the PACER Service Center at [www.pacer.psc.uscourts.gov](http://www.pacer.psc.uscourts.gov).

Dated: [ ], 2021  
San Juan, Puerto Rico

/s/ Hermann D. Bauer  
Hermann D. Bauer  
USDC No. 215205  
**O'NEILL & BORGES LLC**

Respectfully submitted,

/s/ [DRAFT] Martin J. Bienenstock  
Martin J. Bienenstock  
Brian S. Rosen  
(Admission *Pro Hac Vice*)

250 Muñoz Rivera Ave., Suite 800  
San Juan, PR 00918-1813  
Tel: (787) 764-8181  
Fax: (787) 753-8944

*Co-Attorneys for the Financial Oversight and  
Management Board as representative for the  
Debtors*

**PROSKAUER ROSE LLP**

Eleven Times Square  
New York, NY 10036  
Tel: (212) 969-3000  
Fax: (212) 969-2900

*Attorneys for the Financial Oversight and  
Management Board as representative for the  
Debtors*